

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF GORDON W.)	APPEAL NO. 06-A-2540
DICKS from the decision of the Board of Equalization)	FINAL DECISION
of Kootenai County for tax year 2006.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing December 13, 2006, in Coeur d'Alene, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Gordon Dicks appeared at the hearing. Assessor Mike McDowell and Appraiser Steven Hagler appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. 50N05W085600.

The issue on appeal is the market value of residential property.

The decision of the Kootenai County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$408,000, and the improvements' valuation is \$14,340, totaling \$422,340. Appellant requests the land value be reduced to \$250,000, and the improvements' value remain at \$14,340, totaling \$264,340. At the BOE hearing, subject's land value was reduced from \$504,000 to the current value.

The subject property is a .999 acre residential lot located on the south shore of the Spokane River below the dam at Post Falls, Idaho. It was noted that a new residence was built in 2006, which will be included in subject's 2007 assessment.

Appellant challenged subject's assessed value primarily on the basis of view impediments. The view, as explained by Appellant, is not expansive because subject is located down near the

river and only affords a view of some large buildings located on the nearby college campus. Appellant mentioned that the steep driveway made subject nearly impossible to access in the winter without a four-wheel drive vehicle. It was also argued that subject's marketability was diminished by building restrictions that prohibited residences larger than two bedrooms in size.

A fee appraisal of subject was conducted in May 2006 in which several sales from the general area were examined. A value of \$250,000 was determined for subject land.

Respondent challenged the comparability of the sales used in the appraisal. Respondent noted one of the sales occurred in 2006 and the other two sales involved non-riverfront properties. Also, the types of structures were observed to be different than the residence being built on subject. Respondent argued adjustments should have been made on both counts.

Respondent stated the value reduction at the BOE hearing was granted expressly for the subject's view detriments and argued no further adjustment was warranted. It was also noted that Appellant was aware of the building restrictions at the time subject was purchased.

Respondent then explained that subject's entire area was re-appraised for the 2004 tax year to determine base values for the properties. To maintain market values each year, positive trends were calculated using sales data. There were three sales of similar property in subject's area during 2005, which were analyzed to determine a trending (indexing) value of 4.0 for land in the area. The trending value was then applied uniformly to the 2005 assessed values of all properties in subject's area to arrive at the 2006 assessments. Respondent noted that only sales below the dam were used to assess property in that particular area and adjustments were made to account for differences in lot size.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For the purpose of taxation, Idaho requires that all property be valued at market value as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant's primary point of contention was subject's dramatic value increase over the prior couple years. Idaho Code § 63-205(1) requires real property be assessed at current market value each year, however the Code does not limit the amount of possible increase or decrease in assessed value per year.

Respondent thoroughly detailed the indexing methodology used to assess properties in subject's area. The evidence illustrated compliance with Idaho's market value standard and required valuation program.

The Assessor's valuation of property for the purposes of taxation is presumed correct. The Senator, Inc. v. Ada County Board of Equalization, 138 Idaho 566, 569, 67 P.3d 45, 48 (2003). The court will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

While a fee appraisal is generally good evidence of market value, there are some

questions concerning the appraisal methodology used in this case. As Respondent pointed out, adjustments were not made to account for the non-riverfront locations and the different types of structures of the sale properties. Respondent submitted several sales of similar property and applied modifications for size differences. No error in the methodology used to determine subject's value was shown, nor does the record indicate the assessment was arbitrary or capricious. Additionally, subject's assessment was reduced by the BOE to reflect the acknowledged detriments to view. As such, the Board will affirm the decision of the Kootenai County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 27th day of April 2007.